

Exhibit No. 2Date 4-2-07Bill No. HB 809**The School Funding Problem, Next Two Years**

Part 1 - Inflation on Existing Programs and Services	
Item	Amount
Adopted General Fund Budget, Statewide Total, FY07	\$856,564,383
Documented Inflation, Generic CPI-U, Per BLS	3.80%
FY08 Increase Needed to Allow CPI-U Increase in Existing Budgets, for Existing Programs Only Without a Tax Increase, Budget Cuts or Both	\$32,549,447
FY09 Increase Needed to Allow CPI-U Increase in Existing Budgets, for Existing Programs Only Without a Tax Increase, Budget Cuts or Both	\$33,786,326
Biennial Increase in State Aid Needed to Allow School Districts to Meet Generic CPI-U Cost Increases Over Next Two Years	\$98,885,219
Part 2 - Increased Funds Needed for Fulltime Kindergarten	
Item	Amount
FY08	
372 new FTE, per Fiscal Note on SB 152, hired at average salary of \$30,000 - Salary Only	\$11,160,000
Health insurance contribution for 372 FTE, using average employer contribution per employee under existing practice	\$2,079,268
Payroll Taxes and TRS Contribution	\$1,897,200
Total Certified Teacher Costs, No Other Expenses Included	\$15,136,468
Projected total general fund budgeted FY08 cost, using 65% threshold of average percent of general fund budgets going to teacher salaries (using salaries and health insurance benefits only)	\$20,368,105
Projected total general fund budgeted FY09 cost, using 3.8% inflation on FY08 number.	\$21,142,093
Biennial Increase in State Aid Needed to Allow School Districts to Implement Fulltime Kindergarten on an operational basis only using existing expenditure patterns, no facilities, start up costs, supplies, aids, lunch program, transportation, etc. without a tax increase or cuts to other programs	\$41,510,198
Total Increase in State Aid Needed to Allow Schools to Meet Generic CPI-U Inflation Costs and Implement Fulltime Kindergarten without Tax Increases, Budget Cuts, or Both	\$140,395,417

SB 152 Increases for existing programs and Fulltime Kindergarten, Introduced Version, Per Fiscal Note	\$95,472,134
Projected amount that will have to be addressed, either through increased taxes or budget cuts in the coming biennium to address gap between CPI-U Inflation and SB 152 funding	\$44,923,283